

JEANNE SHAHEEN
NEW HAMPSHIRE

SUITE SH-520
HART BUILDING
WASHINGTON, DC 20510
(202) 224-2841

United States Senate

WASHINGTON, DC 20510

March 11, 2011

Chairman Ben Bernanke
Board of Governors of the Federal Reserve System
20th Street & Constitution Avenue, NW, Room 2046
Washington, DC 20551

Dear Chairman Bernanke:

I am writing in reference to Section 1075 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly referred to as the "Durbin Amendment." The Durbin Amendment addresses debit card interchange fees and requires that the Federal Reserve issue regulations to limit fees for debit card transactions so they are "reasonable and proportional to the cost incurred by the issuer."

As you know, Congress exempted issuers with less than \$10 billion in assets from this provision. I voted for the Durbin Amendment with the understanding that this exemption would be effective. However, in your recent testimony before the Senate Banking Committee, you said that it is possible that the small bank exemption from the Dodd-Frank law "may not be effective in the marketplace."

This exemption is important for maintaining the health and soundness of our community banks and credit unions, many of which have increased their lending to small businesses while large banks have tightened credit. The possibility that community banks and credit unions with less than \$10 billion in assets will be affected by the Durbin Amendment is deeply troubling.

As you finalize your rule, I urge you to do everything you can to ensure that Main Street community banks and credit unions are not directly affected by the Durbin Amendment and that the exemption created by Congress is effective. I also urge you to take care when setting the final interchange fee standards to minimize any unintended consequences.

Sincerely,



Jeanne Shaheen
United States Senator